



MULTIMODAL GLOBAL LOGISTICS LIMITED (MGL)

SUSTAINABILITY REPORT (CSR)

Statement

At Multimodal Global Logistics, we take sustainability seriously, and we are happy to present our first sustainability report highlighting our commitments and progress since 2011. As requests for information regarding our sustainability practices increase and our environmental, social, and governance (MGL) initiatives continue to advance, we recognize the growing importance of communicating our sustainability efforts.

As a asset owning logistics services provider, MGL upholds its commitment to the environment a responsibility ingrained in our company's culture since its inception. Some of our business aspect our strategy, not to acquire our own transportation assets, we built a business that utilizes existing market resources and consolidates shipments for efficiency. By our nature, we must continually strive for increased efficiency to remain competitive and maintain healthy profit levels, especially given constant pricing pressures as global trade expands and contracts.

Above all, MGL focuses on sustaining its financial health while meeting our customers' primary need for pricing efficiencies. Given stakeholders' increased expectations for companies—including ours—to measure, manage and report their MGL risks and opportunities, MGL's can provide customers increased efficiencies and reduced costs while minimizing their environmental impacts.

At MGL`s, sustainability remains of utmost importance, not only because it is the right thing to do, but because it enables us to make good business decisions. It is efficiency-oriented, highlights potential risks and opportunities, and helps strengthen our employees, communities, and future workforce.

Since 2011, our team has diligently worked to increase our investment in and focus on MGL, making significant advancements:

- We continue to reduce MGL' carbon and waste footprint, and have new tools and solutions to help our customers reduce their footprints if they decide it is right for their businesses.
- In 2011, we developed and deployed MGL safety standards globally to protect our workforce from workplace injuries and illnesses.
- We built a strong compliance culture among our leadership team, setting the example and holding our workforce accountable.



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- In 2015, we went through a formal process to consolidate our financial donations to focus on helping cure diseases and aiding those less fortunate.
- We continue investing heavily in employee development and building skills and employment opportunities through a variety of programs, such as our Opportunity Knocks program benefiting at-risk youth and veterans.
- Employees around the world are actively involved in community fundraisers and volunteerism giving back because they want to, not because of any corporate mandate.

We explain these accomplishments and more in greater detail throughout this report. We invite you to explore what we are doing, ask questions, and provide valued feedback. Most notably, I want to thank our entire team for their tireless efforts and continued commitment to further strengthen our business and MGL endeavors and performance. By investing in sustainability, we invest in MGL` s` future and the future of our employees, customers, service providers, and communities.



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Who We Are

Freight forwarding company in 2011, Multimodal Global Logistics Limited found in Baku Azerbaijan and now is a global service-based logistics company that provides transportation solutions and supply chain management to an array of industries including retail, fashion, technology, oil and energy, manufacturing, healthcare, automotive, and aerospace. We offer our customers reliable, cost-effective transportation choices via air, ground, ocean, and multimodal. We also improve customers' supply chain performance through technological solutions and provide customs and compliance management, warehousing, and distribution services. Our key subsidiaries and global agents are enclosed in our Global Footprint.

Corporate Citizenship

Inherent in our mission of excellence and leadership in global logistics is our commitment to conducting business with integrity. We believe that forming trustworthy partnerships, operating with efficiency in mind, and giving back to our communities should be integrated into all aspects of our operations. We have high expectations about our sustainability performance.

As seen in our pillars of corporate citizenship, we acknowledge the importance of our role in:

- The safety and well-being of the people of MGL` s;
- The sustainment and proper management of the environments in which we operate; and
- Making the communities where we live and work better places to do both.

These pillars define our sustainability program, and throughout this report we demonstrate how they are interwoven in the way we do business, speaking to our management approach, key initiatives, performance, success stories, and future goals

Key Affiliations & Memberships

Multimodal Global Logistics Limited is member of several international organization:

- Azerbaijan TIR Association Membership- ABADA
- TRACE- Anti-Corruption member
- WCA Global forwarder agent association member.



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Governance, Ethics, & Compliance Structure

Sustainability Leadership

Our Board of Directors' Nominating and Corporate Governance Committee oversees our sustainability efforts. We evaluate our sustainability performance via a third-party surveyor as well as through annual employee surveys and scores. Quarterly, the Board meets to discuss performance, plans, and prospects.

MGL' sustainability strategies are determined by our MGL Executive member and our Executive member for each of our four pillars—Environment; Corporate Social Responsibility (CSR); Security, Health and Safety; and Governance. Program Managers for each pillar implement sustainability programs, empower employees, measure and report progress, respond to customer and investor inquiries, ensure employee compliance, and more.

Code of Business Conduct

In 2016, we updated our Code of Business Conduct. While the core Cultural Values embedded in the Code—Integrity, Excellence, and Confidence, among others—remain unchanged, we made it easier for our employees to read and use the Code daily.

Our Code is an important reference for how to do business the right way. It covers a range of compliance and ethics topics including anti-corruption, conflicts of interest, community activities and political contributions, privacy and data protection, labor standards, security, health and safety, and the environment.

Violations of the Code can be anonymously reported through a third-party helpline. These are taken seriously and reviewed by our Chief Ethics and Compliance Officer, who periodically reports to our Audit Committee.

Compliance & Training

We are conservative in our compliance practices and we follow strict UK Anti-Bribery Act & U.S. standards. We also insist upon and support continuous training for our employees. Every employee goes through a one hour Code of Business Conduct training course annually.



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In addition, we require employees to attend 10 hours of training per year, with over 10 hours of that mandatory, based on role. Mandatory courses for all employees globally include Anti-Corruption, TRACE awareness and Harassment Awareness and Prevention. As part of our sustainability efforts, we offer a Sustainability course at MGL.

In 2016, 100 percent of our employees completed the required trainings. We also provide our employees with an Educational Reimbursement Program, which offers them the ability to seek additional professional development opportunities to maintain or improve their knowledge and skills.

Working with Customers

We collaborate with several customers, including leaders in multiple industries, to analyze their supply chains and recommend ways to reduce their costs and carbon emissions. Our recommendations include modal shifts such as air to ocean, reducing distances traveled, and consolidating freight to utilize transportation assets more effectively. In these scenarios, we help to reduce both costs and carbon footprint.

We offer tools and services to help our customers make informed decisions through analysis of their transportation footprints. Many of these tools are focused on efficiency to drive the best possible pricing our customers' primary need. For example, MGL's Freight Efficiency Score (FES) synthesizes three cost drivers down to a single comprehensive metric measuring the cost efficiency of the ocean import program.

MGL Logistics Solutions offers our customers multiple levels of analysis. We can provide Summary Report illustrating emissions across our customers' network, by mode, geography, and business entity. Our Supply Chain Diagnostic service is a more detailed assessment of supply chain flows and efficient cargo transportation, identifying opportunities and recommendations. Our most comprehensive approach is the Efficient Network Reduction Project, reducing cost of chain through overall performance optimization of the supply chain.

Working with Service Providers

We select, utilize, evaluate, and reward service providers based on a total value approach. While competitive pricing is a high priority, we look at the entire long-term value a service provider brings to both our customers and MGL branches and affiliates. The seven elements that make up MGL's Total Value Proposition are Relationship & Communication, Operational Excellence, Compliance, Security & Risk,



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Technology & Capabilities, Innovation, Improvement & Investment, Environment & Sustainability, and Pricing & Terms.

In 2014, we have entered a program Efficient Control System (ECS) enabling to measure and benchmark vendors and agent we cooperate the work efficiency. That achievement enabled us to select the best and quality ones and explored a huge advantages on cargo moving on cost effective routes. Air, Road and Sea carriers we used have been segregated and benchmark the abilities.

Health & Safety

The health and safety of our employees is not just a pillar of our Code of Business Conduct, but synonymous with our culture and mission. Our employees are our most valuable asset—they set us apart in the industry by promoting both operational excellence and customer service. It is critical that we offer a safe working environment that attracts the best and brightest in the logistics industry.

Our Health & Safety Program

In 2013, we rolled out our global Health and Safety program rooted in reducing risk across our operations. The ten program elements include:

- Designated leadership to set the tone and manage health and safety locally;
- Periodic hazard assessments;
- Tailored, internally developed safety trainings for all employees;
- Appropriate local emergency response plans;
- Fire prevention procedures and training;
- Manual and mechanical handling job-specific training;
- Working environments that are clean, professional and in keeping with our culture and global standards;
- Regular monitoring, review, and audits;
- Incident reporting and review; and
- Periodic safety reviews of our strategic service providers.

Health and Safety is integrated into our corporate risk management structure. Our Managing Director of Security, Health and Safety oversees the program. Additionally, our Global Agent Business Operations team sends representatives to complete operational performance assessments annually at all our facilities in the region to monitor compliance.



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The district HSR teaches safety training, performs the annual district self-audit, and ensures employees are compliant with the Health and Safety program's elements. We track Health and Safety trainings in our Professional Development Center for easy data analysis and accountability.

Health & Safety Training

We expect all new hires to take a one hour computer based Health and Safety training course. Currently, 100 percent of our employees have met the requirement. We also offer a Manual Materials Handling class for specific positions, a Safety Hazard and Incident Reporting class for all supervisors and managers, and an extensive Forklift Training course for forklift operators. A Security, Health and Safety refresher course will be released in 2018 and required for all employees in the region (Azerbaijan, Georgia, Turkey)

Safety Metrics Our safety metrics—DART, Incident, and Lost Time Rates—at 0.75 or less, continue to reflect better than industry average safety performance.

Future Initiatives & Goals

In 2017, we will deploy a Governance, Risk, and Compliance software platform, allowing us to enhance safety data collection. The platform will enable us to easily track and manage our safety data in real time, globally, including near-miss incidents.

MGL` s has also developed an Environmental Health and Safety Roadmap to be rolled out beginning in 2017. New elements are anticipated to include:

- Working environment enhancements—air quality, noise control, and radiation protection;
- Chemical/Hazmat safety and compliance awareness;
- Spill containment and environmental response protocols;
- Haz Comm and Right to Know focus;
- High Hazard Work Activities safety; and
- Industrial Hygiene awareness.

Incident Rate- Work-related deaths, illnesses, and injuries, per 100 full-time employees

DART Rate- Workplace injuries and illnesses requiring employees to miss work, perform restricted work activities, or transfer to another job, per 100 full-time employees.



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Lost Time Rate- An occupational injury or illness which results in an employee being unable to work a full assigned work shift, per 100 full-time employees.

HSE STATISTICS			
Provide Statistics for last three years	2013	2014	2015
Man hours	89440	93600	62124
Fatalities	0	0	0
Major incidents	0	0	0
MTC (Medical treatment cases)	0	0	0
First aid cases	0	0	0
LTI (Lost Time Incident)	0	0	0
LTIF (Lost Time Incident Frequency)	0	0	0
TRIR (Total Reportable Incident Rate)	0	0	0
EDI (Environmental Damage Incident)	0	0	0
Contractor' s objectives	2013	2014	2015
LTIF	0	0	0
TRIR			
Contractor safety reporting system	2013	2014	2015
Number of Anomalies reported.	0	0	0
Number of near miss reported.	0	0	1

Corporate Social Responsibility

MGL has an unwavering commitment to make our communities a better place to live and work. This is ingrained in our corporate culture and reflected in the success of our business.

Corporate Initiatives & Donations

As a successful global company, we have both the opportunity and the responsibility to give back to those less fortunate than we are. Our Charitable Donations Committee meets annually to formally review the organizations with which we partner and to which we donate funds. In 2015, we decided to focus our corporate donations on organizations involved with helping to research and cure insufferable diseases and organizations focused on basic human needs to help individuals and families make it through their day.



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District Initiatives

Districts wanting to provide financial contributions to an organization first seek approval from their Management to ensure the organization is approved by the Board. Beyond district giving, our employees are very generous with their money and time at a local level, taking part in school supply drives, food drives, blood drives, Adopt-A-Family, funds for diabetes, MS, cancer, and more.

Job Training Program

MGL is continuously investing into job training program across its offices around the region and world. Our partners and agent all over the world taking a participation in training program as trainer. As full security measurement we are conducting US Anti-Corruption FCPA and United Nation embargo businesses and business areas. Our operation staff are well aware of prohibition and restriction while doing business in forwarding and logistical industry.

Not only does training provide youth with workplace readiness, a viable career pathway, mentorship, professional training, and future opportunities for youth, MGL also benefits through an expanded talent pipeline, increased employee diversity, increased employee development and engagement, strengthened company culture, and relationships with the community. There are currently 4 districts involved in four countries with programs pending in four more countries. Since 2011 we have conducted more than 30 trainings through our program.